

WILLIAM PATERSON UNIVERSITY

**PRESIDENT EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into this 11<sup>th</sup> day of March, 2010, by and between William Paterson University (the "University") and Kathleen M. Waldron, Ph.D. (the "President").

WHEREAS, the Board of Trustees, on behalf of the University, desires to employ the President and the President desires to accept such employment on the terms and conditions set forth herein;

NOW, THEREFORE, the parties, intending to be legally bound, hereby agree as follows:

1. *Employment.* The University agrees to employ Kathleen M. Waldron, Ph.D. and Kathleen M. Waldron, Ph.D. accepts employment as President of the University. During her term of employment (as defined in Paragraph 1.1), the President shall perform such duties for and render such services to the University as are customary and incidental to the position of the President, or such of her duties or services as may be from time to time assigned to her by the University's Board of Trustees (the "Board") and which are consistent with such position. The President shall act consistently with the vision of the University for the duties and leadership expectations of the President as set forth in Section VII of the University's bylaws and restated in Schedule A, attached hereto. The President shall report and be accountable exclusively to the Board. The President agrees to use her best efforts to carry out her duties and responsibilities under this Agreement and to devote substantially all of her business time, attention, and energy thereto.

1.1 *Term of Employment.* The term of employment (the "Term") shall commence on August 2, 2010 (the "Effective Date"). The occurrence each year of the day that is the calendar day of the Effective Date shall be referred to herein as the "Anniversary Date". In accordance with New Jersey law (N.J.S.A. 18A:64-6(g)), the President shall serve at the pleasure of the Board and may be separated from employment as President of the University with or without Cause in accordance with the terms of this Agreement.

1.2 *Compensation.*

(a) *Base Salary.* For all the services rendered by the President hereunder, the University shall pay the President a base salary ("Base Salary"), at the annual rate of Two Hundred Ninety-five Thousand Dollars (\$295,000), effective August 2, 2010, payable in installments at such times (but not less often than monthly) as the University customarily pays its managerial employees. Commencing in July of 2011 and in the same month of each calendar year of the Term thereafter, the Board shall conduct an annual review of the President's performance. Based upon such review, the President may be awarded an increase in her annual Base Salary, to take effect on September 1 for the year under consideration, at the sole discretion of the Board.

1.3 *Retirement and Welfare Benefit Plans.* Except as otherwise provided for herein, the President shall be entitled to participate in all such employee retirement and welfare benefit plans and programs as are made available to the University's managerial employees and which may be in effect from time to time, and subject to the eligibility requirements of such plans and programs. Nothing in this Agreement shall prevent the University from amending or terminating any employee retirement, welfare benefit, or any other employee benefit plan or program as the University deems appropriate; however, this Agreement shall also not create any right in the University to amend or terminate any such plans or programs if it would not otherwise have such right.

1.4 *Other Benefits.* In addition to the benefits provided in Paragraph 1.3, the University shall provide the President the following benefits:

(a) *Automobile.* During the Term, the University shall, at the President's option, either provide the President with the use of a leased automobile or reimburse the President for the cost associated with leasing an automobile, in either case up to a maximum of \$800 per month. The University will provide insurance and all upkeep of the automobile, including repair, routine service, and gasoline. The President shall document personal use of the automobile in accordance with University policy.

(b) *Life Insurance.* During the Term, the University shall provide the President with Term Life Insurance coverage on her life under the terms of such insurance policies as are made available to the University's managerial employees. The President shall designate the beneficiary(ies) of this policy.

(c) *Deferred Compensation.* In consideration of the President remaining in the position through the ongoing Term of this Agreement and to promote stability in the office of President, the University shall make retirement contributions to one or more additional tax-deferred retirement plans for the President's benefit. The selection of retirement plans shall be mutually agreeable to the parties. The University shall contribute 15% of the President's then effective Base Salary each year to the retirement plans. The principal balance and all accrued earnings from the plans (the "Total Balance") shall vest and be payable to the President according to the following schedule: 1) 25% of the Total Balance if the President's service continues for three full years from the Effective Date of the Agreement; 2) 50% of the Total Balance if the President's service continues for four full years from the Effective Date of the Agreement; and 3) 100% of the Total Balance if the President's service continues for five full years from the Effective Date of the Agreement. Thereafter, upon each annual Anniversary Date of the Agreement, the University shall contribute 15% of the President's then effective Base Salary each year to the retirement plans which shall immediately vest and be payable to the President. A pro-rated benefit equal to the Total Balance of the retirement plans contributed to the date of separation will be provided in the event of the President's separation from employment as President prior to the end of the five-year period on account of death or Disability, or a separation from employment as President initiated by the University other than for Cause.

(d) *Travel, Communication, Entertainment, and Related Expenses.* The President shall be entitled to reimbursement of reasonable and documented travel, communication (cell phone and data services), entertainment and related expenses directly

related to her employment by the University. All travel arrangements and related reimbursement will be in accordance with the University's travel policy. The President shall document personal use of communications and computer devices that are reimbursed under this paragraph in accordance with University policy.

(e) *Relocation Moving Expenses.* The President shall be reimbursed for the reasonable expenses she incurs in relocating from her present residence to a residence near the University. The University shall procure the services of a moving company for the relocation.

(f) *Spousal Expenses.* The President may be reimbursed for spousal travel and entertainment expenses, if any, on the same basis set forth in paragraph 1.4(d) for activities directly related to the business of the University and in support of the President's duties hereunder. Personal expenses incurred by the President's spouse shall not be reimbursable or otherwise included as an employment benefit of the President under this Agreement.

(g) *Vacation and Sick Leave.* During the Term, the President shall be entitled to paid vacation and sick leave in accordance with University policy for managerial employees.

(h) *Health Insurance and Physical Exam.* The President shall be entitled to receive such health, dental, and vision insurance benefits (with applicable premiums, co-pays and deductibles) as are provided from time to time by the University to its managerial employees. The University shall, upon receipt of appropriate receipts and documentation, reimburse the President for up to \$1000 for the costs of an annual physical examination and related laboratory costs that are not otherwise covered or reimbursed under the President's University-provided health insurance plan. (All results of the physical examination are strictly confidential between the President and her physician.)

(i) *Membership Fees.* During the Term, the University will provide the President with paid membership (including initiation fees) in professional, community, and social clubs as agreed upon from time to time between the Executive Committee of the Board (hereinafter, the "Executive Committee") and the President.

(j) *Tuition Remission.* The President's family members shall receive remission of tuition at the University in accordance with the University's tuition remission program for full-time employees.

(k) *Transition Sabbatical.* Upon the separation from employment as President by either party without Cause, the President shall be entitled to take a 12-month transition sabbatical during which time the President shall prepare for her transition to the faculty and shall have no administrative duties. The applicable salary during the sabbatical shall be the salary of a full Professor in effect at the time sabbatical leave is taken in accordance with the provisions of paragraph 1.5. The benefits under paragraph 1.4 will continue through the sabbatical to the extent that they are available to full Professors on the faculty while on sabbatical leave under applicable University policy.

1.5 *Academic Rank and Tenure.* The President shall be appointed as a Professor of History in the College of Humanities and Social Sciences for a three-year period, to run concurrently with her service as President. Upon expiration or termination of this Agreement, except termination for Cause by the University, the President's employment as a Professor will continue at her option. The President may take a transition sabbatical as provided for in paragraph 1.4(k) prior to commencing duties as a Professor. Should the President continue as a Professor, her salary for the first 12 months will be established consistent with the salary scale set forth in the contract between the American Federation of Teachers and the State of New Jersey. Thereafter, salary and benefits will be determined in the same manner as for other full Professors at the University. In addition, the President will be eligible to receive full tenure as a Professor of History after two full and consecutive years of service to the extent permitted by New Jersey law. Teaching assignments, workload, and other related aspects of service as a Professor shall be as mutually agreed upon by the parties.

1.6 *University Board of Trustees.* In accordance with New Jersey law (N.J.S.A. 18A:64-6(g)) and the University's Bylaws, the President shall serve as an *ex officio* member of the Board, without vote.

1.7 *Housing.* As a benefit to the University, the President may reside at 48 Brandon Avenue, Wayne, NJ 07470 (the "Presidential Residence"). The University shall pay all utilities, taxes, insurance, and expenses of maintenance and upkeep for the Presidential Residence. In lieu of residing at the Presidential Residence, at the option of the President, the University will provide an annual housing allowance equal to 20% of the President's initial base salary (and adjusted annually for inflation using the applicable consumer price index), payable in monthly installments. Said housing allowance shall be all-inclusive and no further reimbursement of direct or indirect housing expenses shall be made. It is understood between the parties that the Presidential Residence or any alternative residence selected by the President shall be used for University-related business and entertainment purposes on a reasonable and continuing basis and that all costs associated with such entertainment shall be borne by the University. The University will provide the President with temporary housing at the Presidential Residence or in a local hotel for up to six months from the Effective Date of the Agreement if the President elects not to reside at the Presidential Residence. In such case, the annual housing allowance shall not commence until the President begins residence in regular housing.

1.8 *Board Service, Public Speaking, and Other Outside Activities.* The Board permits the President to engage in outside activities such as serving on for-profit and nonprofit boards of directors, delivering speeches, writing, and consulting services to the extent these outside activities do not interfere with the performance of her obligations contained herein and are consistent with the University's Conflict of Interest Policy and applicable New Jersey law. The President's participation on either a nonprofit or a for-profit board must be approved in advance by the Executive Committee in its sole discretion. If it is subsequently determined that any previously-approved outside activities pose or will pose a conflict of interest, or the appearance of a conflict of interest (as defined in the University's Conflict of Interest Policy and in accordance with applicable New Jersey law), or if the time commitments required of the President interfere with the performance of her obligations hereunder, the President shall, at the request of the Board, cease such activities at the earliest available opportunity. Any

compensation earned by the President in connection with approved outside activities may be paid to and retained by her, and will not affect the terms of this Agreement. The President agrees to promptly disclose to the Board each new recurring source of outside earned income and other compensation in accordance with University policy for the President and the Board. The President agrees to disclose annually to the Board the source and amounts of all outside income in accordance with New Jersey law.

1.9 *Performance Evaluation.* The Board shall undertake annually a performance evaluation of the President. The evaluation shall take into account the duties and leadership obligations set forth in this Agreement. The President and the Board shall also agree on goals and objectives for the President's service within sixty (60) days of the Effective Date for the first year of employment. Thereafter, in accordance with the schedule set forth in paragraph 1.2(a), the President and the Board shall annually agree on any modifications to said goals and objectives. The Board may consider input from the University community in this process. In addition, no less frequently than every five years, the Board shall commission an external review of the President's performance by a professional consultant or governance organization. The results of all such performance reviews shall be shared with the President and shall be taken into consideration in the determination of compensation, benefits, and continued employment as President hereunder.

2. *Termination.* The President's employment shall terminate upon the occurrence of any of the following events:

2.1 *Termination Without Cause.* The University may remove the President from service as the President at any time without Cause (as defined in Paragraph 2.5) upon not less than thirty (30) calendar days' prior written notice to the President; provided, however, that, in the event that such notice is given, the President shall be under no obligation to render any additional services to the University and shall be allowed to seek other employment, subject to the terms, conditions, and covenants of this Agreement. In addition, the University may elect to give an alternative assignment to the President at any time during the notice period.

If the University terminates the President's employment without Cause, the President shall be entitled to receive the following:

(a) Within thirty (30) days of the end of the notice period for such termination, the University shall pay to the President, as a lump sum, all amounts earned or accrued, under Paragraph 1.2 above, that had not yet been paid as of the end of the notice period.

(b) The President shall receive all other benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the University described in Paragraphs 1.3, 1.4(c), 1.4(g) and 1.4(k) through the date of her termination; and

(c) If the President elects not to continue employment with the University as a Professor in accordance with paragraph 1.5, and contingent upon execution by the President of an Agreement releasing any and all claims against the University, the University shall pay the President severance pay in an amount equal to one year's Base Salary at the then applicable rate payable in monthly installments. In addition, the University shall pay the amount due for continued COBRA coverage for the President under the University's medical and dental plans,

should she elect such coverage, for the period during which the President is entitled to receive continued Base Salary installments hereunder.

2.2 *Voluntary Termination.* In the event the President shall voluntarily terminate her employment as President, she shall be required to give not less than six (6) months' notice in order to transition the duties and responsibilities of her position. The Board may, in its sole discretion, accept the President's voluntary termination prior to the end of the six-month notice period. Upon such termination, the President shall be entitled to any accrued but unpaid Base Salary and benefits described in Paragraphs 1.3, 1.4(c), 1.4(g), and 1.4(k). The President shall not be entitled to any severance pay in the event the President voluntarily terminates her employment. The President may elect to continue employment as a Professor at the University in accordance with the terms of paragraph 1.5.

2.3 *Disability.* Following any approved Disability leave, the University may terminate the President's employment if the President is unable to perform the essential functions of her position with or without reasonable accommodation during the Term because of physical or mental injury or illness ("Disability"), subject to any limitations imposed by federal, state or local laws. The University will provide a reasonable accommodation to the President with a disability as defined by the federal Americans with Disabilities Act and applicable state or local laws, if such reasonable accommodation would not impose an undue hardship to the University and would enable the President to satisfactorily perform the essential functions of the position. During any approved Disability leave, the University agrees to pay the difference between the President's Base Salary and any payments received by the President pursuant to the University's short-term disability policy for a time period not to exceed three (3) months in any calendar year, after which time any approved Disability leave shall be unpaid leave and no supplement to the payments provided under the disability policy shall be provided. The President agrees, in the event of a dispute under this paragraph 2.3 relating to the President's Disability, to submit to a physical examination by a licensed physician jointly selected by the Board and the President. If the University terminates the President's employment for Disability, the President shall be entitled to receive the following:

(a) Within thirty (30) days of such termination, the University shall pay to the President, as a lump sum, all amounts earned or accrued, under Paragraph 1.2, that had not yet been paid as of the date of termination; and

(b) The President shall receive all other benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the University described in Paragraphs 1.3, 1.4(c), 1.4(g) and 1.4(k) through the date of her termination. The President shall not be entitled to any severance pay in the event she is terminated for Disability but shall be eligible to continue employment as a Professor at the University under paragraph 1.5 in the sole discretion of the Board.

2.4 *Death.* If the President dies while employed by the University, the University shall pay to the President's executor, legal representative, administrator or designated beneficiary, as applicable and as a lump sum, all amounts earned or accrued, under Paragraph 1.2 above, that had not yet been paid as of the date of her death, and all benefits accrued or earned before or upon her death in accordance with the terms of any applicable benefit plans and programs of the University described in Paragraphs 1.3, 1.4(c), 1.4(e) and 1.4(f). The

President's family shall be entitled to remain in the Presidential Residence, if they resided there at the time of death, for a period of at least ninety (90) days, but no more than one hundred-twenty (120) days. Except as otherwise set forth above, the University shall have no further liability or obligation under this Agreement to the President's executors, legal representatives, administrators, heirs or assigns or any other person claiming under or through the President, including (but not limited to) liability for any severance pay.

2.5 *Termination for Cause.* The University may terminate the President's employment as President at any time for Cause upon written notice to the President, in which event all payments under this Agreement shall cease, except for: (i) as a lump sum, Base Salary to the extent already accrued and unpaid up to the date of her termination and (ii) all benefits accrued or earned before her termination in accordance with the terms of any applicable benefit plans and programs of the University described in Paragraphs 1.3, 1.4(c), 1.4(e), and 1.3(f). The President shall not be entitled to any severance pay in the event the President is terminated for Cause. Termination as a faculty member, with or without tenure, will be in accordance with New Jersey law. "Cause" shall mean any of the following grounds for termination by the University of the President's employment: (i) the President is convicted of or enters a guilty plea or a plea of no contest to any felony or any crime involving fraud, theft, misuse or misappropriation of money or other property, or moral turpitude; (ii) in the reasonable judgment of the Board, the President has breached in any material respect the terms of this Agreement; (iii) in the reasonable judgment of the Board, the President has neglected or willfully failed or refused to perform material assigned duties; (iv) in the reasonable judgment of the Board, the President has engaged in gross and willful misconduct with respect to the business affairs of the University; or (v) in the reasonable judgment of the Board, the President has committed acts or omissions which materially harm the reputation of the University including, but not limited to, failing to truthfully and completely respond to inquiries during the Presidential search process regarding the President's experience, educational background, accomplishments, and criminal record.

3. *Survivorship.* The respective rights and obligations of the parties under this Agreement shall survive any termination of the President's employment to the extent necessary to achieve the intended preservation of such rights and obligations.

4. *Notices.* All notices and other communications required or permitted under this Agreement or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered or mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to the University, to:

Dr. Marc Schaeffer  
Chief of Staff to the President and Board of Trustees  
William Paterson University  
300 Pompton Road  
Wayne, New Jersey 07470

If to the President, to:



or to such other names or addresses as the University or the President, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Paragraph.

5. *Contents of Agreement; Amendment and Assignment.* This Agreement sets forth the entire understanding between the parties hereto with respect to the subject matter hereof and cannot be changed, modified, extended or terminated except upon written amendment approved by the Board and executed on its behalf by a duly authorized member of the Board and by the President. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors, and assigns of the parties hereto, except that the duties and responsibilities of the President under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by the President.

6. *No Conflicting Agreements.* The President represents and warrants that the President is free to enter into and perform this Agreement and the agreements referred to herein and that the President is not a party to any existing agreement which would prevent the President from entering into and performing this Agreement.

7. *Severability.* If any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

8. *No Waiver of Remedies.* No delay or omission by a party in exercising any right, remedy or power under this Agreement or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

9. *Beneficiaries/References.* The President shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable under this Agreement following the President's death by giving the University written notice thereof. In the event of the President's death or a judicial determination of the President's incompetence, reference in this Agreement to the President shall be deemed, where appropriate, to refer to the President's beneficiary, estate, or other legal representative, as appropriate.

10. *Miscellaneous.* All paragraph headings used in this Agreement are for convenience only. This Agreement may be executed in counterparts, each of which is an original. It shall not be



necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

11. *Tax Withholding.* All payments under this Agreement shall be made subject to applicable tax withholding, and the University shall withhold from any payments under this Agreement all federal, state, and local taxes as the University is required to withhold pursuant to any law or governmental rule or regulation. The President shall be solely responsible for all federal, state, and local taxes due with respect to any payments received under this Agreement.

12. *Governing Law.* This Agreement shall be governed by and interpreted under the laws of the State of New Jersey without giving effect to any conflict of laws provisions.

IN WITNESS WHEREOF, the undersigned, intended to be legally bound, have executed this Agreement as of the date first above written.

PRESIDENT

WILLIAM PATERSON UNIVERSITY

By: Kathleen Waldron

Kathleen M. Waldron, Ph.D.

By: V J Mazzola

Name: Vincent J. Mazzola

Title: Chair, Board of Trustees

## **Schedule A**

### **Duties and Leadership Expectations of the President** (excerpted from the Bylaws of the University, Section VII.)

The President of the University, as prescribed by Acts of the State Legislature, shall be the chief executive officer of the University, serving at the pleasure of the Board of Trustees and enjoying ex officio membership in the Board of Trustees. (Note: Section II of the Bylaws provides that The President is a member of the Board, ex-officio, without vote.) The President shall share with the trustees the responsibility for the definition and attainment of goals, for administrative action, and shall be the chief representative of the College to its many publics. The President shall exercise all the powers requisite for the leadership, management, and control of the University, and shall execute and enforce the rules and regulations relating to that responsibility.

As the chief planning officer for the University, the President shall recognize a special obligation to innovate and initiate.

Within his/her best judgment the President shall take responsibility for infusing new life in a department, and for solving problems of obsolescence within the concept of tenure. In these efforts, he/she shall utilize the judgments of faculty, and in the interest of academic standards he/she may also seek outside evaluations by scholars of acknowledged competence.

The President shall insure that the standards and procedures in operational use within the University conform to the policies established by the Board of Trustees and to the standards of sound academic practice. He/she shall also insure that faculty views, including dissenting views, are presented to the trustees in those areas and on those issues where responsibilities are shared. On like issues he/she shall inform the faculty of the views of the trustees and the administration.

The President shall accept primary responsibility for the maintenance of existing institutional resources and the creation of new resources. He/she shall take ultimate managerial responsibility for the non-academic activities of the University, and in his/her responsibility for public understanding he/she shall plan, organize and direct, as well as represent.

In recognition of his/her accountability to the Board of Trustees, the President shall conduct studies of the educational and financial needs of the University and bring their results to the Board's attention. He/she shall recommend to the Board policies for the organization, administration and development of the University, and for the educational curriculum and program of the University before undertaking commitments that could impede their modification. He/she shall submit to the Board for ratification the appointment, removal, promotion, transfer, compensation and terms of employment of all members of the academic and administrative staffs. He/she shall supply to the Board a list of all persons to whom the University recommends that the Board should grant academic diplomas, certificates or degrees. He/she shall provide the Board an annual written report on the state of the University.